Agricultural Credits - 1927

THE FARM LOAN BOARD.

The Federal Farm Loan act was passed by Congress some ten years ago for the relief of the farming industry. It was a development of the Republican belief, expressed in the party platforms that the farmer is the backbone of the nation. It has been wisely held that national greatness and economic independence demand a population distributed between industry and the farm and sharing on equal terms the prosperity dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster. This belief has been confirmed by the recent straits in which the farming industry has been reduced and which has involved the farmers of both races.

To lighten the burdens of the farmers a system of mortgage banks was established, under the supervision of the Federal Farm Loan Board, financed by the national government, to advance loans to the farmers at reasonable interest rates and to relieve them from the necessity of borrowing money from local bankers at extortionate rates and bonuses. This was done through the medium of local land banks organized by the leading farmers of a community. This worked very well for the white farmers but the black farmers of the South found and still find it very hard to take advantage of this form of relief. The latter have no representation in the Farm Loan Board and because of sectional prejudices they are denied any part in the organization or benefits of the local land or mortgage banks. Consequently we hear of Negro farmers in Arkansas and other States in danger of losing their lands because they cannot command the facilities for loans in times of stress.

These conditions were brought to the attention of President Harding just before he started on his ill-fated trip to Alaska. He assured the person who acquainted him with the facts, that a representative of the Negro farmers should be appointed to the Farm Loan system "in the regular way." The message was conveyed to the Farm Loan Board but nothing was done before the President died. The Board has recently been reorganized with Mr. Eugene Meyer of New York as Farm Loan commissioner and the race is awaiting his action in the matter.

The question of farm relief has become a national issue, but to none of those who make a living from the soil, has it become so vital a matter as to those Negro farmers who have stuck to their fields without the aid that might have been given them through the agency of the Farm Loan act if fairly administered. Unless this relief is given soon, there will be a further migration of farm owners, as well as farm laborers from the fields of the South to the factories of the North. In carrying out its policy of encouraging farm production and ownership of farms, the Republican administration should fulfill the pledge of President Harding by giving Negro farmers representation on the Farm Loan Board. It would thus minimize the recognized evils of farm tenantry and serve the interests of both producers and consumers.

Truly the farmer is the backbone of the nation, but the nation should give that backbone the support so imperatively needed.

Veto Farm Bill O. K. Negro Farmers

They Are More Interested In Impartial Distribution Of Present Relief Enactments

Washington, Mar. 7—The Presidential veto of the farm relief bill, recently passed by Congress, has occasioned no feeling of alarm or regret among nearly one million Negro farmers who are contributing to the agricultural wealth of the Nation and who now operate in every state and in three-fourths of all of the counties.

"Before additional relief legislation is made available," recently remarked an influential middle-west colored farmer, "we should like to see the proper administration of legislation that is already functioning for the relief of the farmer. We would like to see a more liberal extension among colored farmers of the benefits of the Federal Farm Loan Act, which is operated under the supervision of the U. S. Treasury Department."

Many colored farmers would like to refinance at lower rates of interest the mortgages now held by local money sharks whose influence with local farm loan associations not infrequently sucessfully bars colored farmers from membership and from the benefits to be derived from the use of this low interest money which can be borrowed for a long term of years. "If the Government will see that the provisions of the Federal Farm Loan Act are impartially administered among all racial groups of farmers, we can, through the orderly marketing of crops, through cooperative marketing associations, which should be open to all farmers, and through the intermediate credit banks system, which permits loans on certain agricultural products and live stock, on warehouse receipts, remedy a condition that is driving the colored farmers to the wall."

The McNary-Haugen legislation meant absolutely nothing to Negro farmers, who are beginning to realize that with the farming as with manufacturing, in order to maintain fair price levels markets must not be glutted, a system of distribution must be worked out, and that production must not greatly exceed the capacity of the markets of the world to absorb.

TAKE SOUND POSITION.

In an interview in The Constitution of Friday former Congressman A. F. Lever, a recognized farm authority of South Carolina, who addressed a state-wide meeting in Atlanta Friday evening, said:

"The greatest stumbling block that prevents an immediate application of a high-grade agricultural system is the attitude of the average southern country banker. Through their reluctance to recognize anything but a bale of cotton as a basis of credit, it is consequently extremely difficult to establish a system in which cotton is not the outstanding factor. For years cotton in the south was regarded as "king," but that day, too, is a thing of the past. Cotton is, and always will be, one of the south's most important crops, but it should be kept in its place. It should be utilized as a cash crop, purely, a surplus remaining to the farmer's credit after he has fed his family and his live stock with the products grown on his farm."

This is directly in line with the persistent and consistent position of The Constitution for years. We have pleaded with bankers, large and small, to make other marketable commodities the basis of credit instead of cotton only. And progress has been made, especially this year. The fact is some of the banks of Georgia, led by the National City Bank of Rome, announced in the spring that they would not loan money to any farmer who did not plan his operations upon "living at home," make cotton—if a cotton grower—a clear surplus, and have other than cotton crops going to market. Banks are beginning to loan on live stock, and the dairy industry has been greatly encouraged and stimulated.

Mr. Lever takes the very correct position that cotton production should be restricted so that it may be made a surplus crop and a cash crop only, in such instances, where so produced, calamity cannot follow a depression in prices.

FEDERAL FARM LOAN BOARD REORGANIZED

Washington—The recent reorganization of the Federal Farm Loan Board, by President Coolidge and Secretary Mellon, revives the hope of a more liberal extension of agricultural credits to Colored farmers, many of whom not unlike the farmers of other racial groups are struggling under the burden of short-term mortgages for which they are paying, in many instances, excessive interest rates, bonus and renewal charges. To meet the insistent demands of local money lenders these farmers are forced to dump their products on a market which soon becomes glutted, and a glutted market of course, means low prices, dissatisfied and discouraged farmers, and migration to the industrial centers without regard to labor conditions.

It is the hope and a very general belief that this unsatisfactory state of aflairs will now be at least partly remedied, by the reorganized board, through a more liberl extension among Colored farmers of the benefits of the Federal Farm Loan Act, which makes it possible for a far-

mer to borrow money through this agency for a long term of years and at a low rate of interest. The money indebtedness, for the purchase of land ,and for the purpose specified in the law, such as the purchase of live stock, or for any kind of productive improvements, for fertilizer, for needed buildinggs, drainage ,and for proper equipment.

The new members of the board are Mr. Eugene Meyer, Jr., who for a number of years has been director of the War Finance Corporation, and Messrs. George R. Cooksey and Floyd R. Harrison, who also were members of the War Finance Corporation. They succeed ex-governor Cooper, of South Carolina, Elmer S. Landes, and Edward E. Jones, all three of whom resigned

FARM LOAN MORTGAGES

Washington, Jan. 25.—Colored farmers will be interested in the information that the Federal Farm Loan Board has ruled that while a farmer borrower has no legal right to pay off his mortgage within five years from the date of execution, the acceptance of such payment is not prohibited to either Federal of joint stock land banks, where unforeseen circumstances arise making it to the interest of the borrower to pay. Should a land bank accept such payment, it may collect from the borrower such sum as will reimburse the bank for the expense of making the loan.

Texas Negro Farmers

WASHINGTON.—Texas has 253 counties, in 75 of which there are no colored farmers. In the other 178 there are 84,726, of whom 20,241 or about 24 percent, are owners. Slightly more than 50 percent of these owners live in twenty counties, led in the order named, by Harrison, Smith, Rusk, Cass, Bowie and Houston. Of the 383,920 white farmers in the state, 163,135 or 42 percent are owners. To 55,000 of these colored and white farmers the Federal Agricultural Credit System has loaned $160,000,000 on first mortgages and has reduced the interest rate from 10 percent to 5 and 5½ percent, which, according to the Dallas Journal, represents an annual saving in interest of $4,000,000 to the farmers who have taken advantage of the benefits of the system.—C. P. B.

NATIONAL FARM LOAN ASSOCIATION

Mr. W. W. Canton of this city received authority this week from the Federal Land Bank at Louisville Kentucky to organize a National Farm Loan Association for colored farmers in Davidson County.

The Officers of the association will consist of a president, a vice president, three members of the Appraisal Committee, five members of the Board of Directors and a Secretary-Treasurer. Offices from which the business will be conducted will be located in Nashville, and all executive sessions will be held in Nashville. Farmers may borrow money at the low rate of 5 per cent interest on long or short terms. A group of farmers from Cedar Grove community held a meeting at the Nashville Globe Office Wednesday of this week. A meeting will be held with farmers of New Hope community on Thursday night of this week and on Friday night a meeting will be held with farmers of the Provident community. Great interest is being manifested in this movement as our farmers have not had an opportunity to have an organization of this kind before which will be conducted by colored farmers. Mr. Canton has had connections with this work before and states that he expects to make this organization a factor in the community life of our colored farmers. It is his opinion that if the colored farmers of Davidson County will take advantage of this offer now within their grasp that it will put thousands of dollars into circulation among our people and greatly aid the economic conditions that they are now facing.

As soon as $20,000.00 in applications has been made a charter will be granted and the association will begin to function.

FARMERS TO HAVE LOAN AND IMPROVEMENT ASSOCIATION

DAVIDSON COUNTY ORGANIZATION AN ASSURED FACT IS REPORTED

Details have about been worked out for the permanent organization of the Davidson County's first Farmers Loan Association. Such is the announcement from Mr. W. W. Canton who has been earnestly at work on this new movement for the past three or four months. He has been in communication not only with the Federal Land Bank at Louisville, Ky., but with the authorities at Washington, to the extent that no minor details are necessary now,—merely the matter of time waiting for full developments. Applications from dirt farmers who must constitute the organization, are coming in rapidly. One of the objects of the organization is for the mutual benefit and help of the farmers to develop their fields, their holdings, and to enable them to secure finances on long terms at a very low rate.

The Federal Land Bank of Louisville, the nearest to this section, is being communicated with constantly for the purpose of getting any information that Mr. Canton is not in possession of at this time. He has assured the folks here in Nashville that the organization date, when finally announced through the columns of The Nashville Globe.